

**MONTHLY OPERATING REPORT FOR  
CORPORATE OR PARTNERSHIP DEBTOR  
(Including LLCs and LLPs)**

Case No. 16-30406-rld11Debtor SeaPort Airlines, Inc.Report Month/Year Feb. 2016

**Instructions:** The debtor's monthly financial report shall include this cover sheet signed by the debtor and all UST forms and supporting documents. Exceptions, if allowed, are noted in the checklist below. Failure to comply with the reporting requirements of Local Bankruptcy Rule 2015-1(b) and 2015-2, or the U.S. Trustee's reporting requirements, is cause for conversion or dismissal of the case.

The debtor submits the following with this monthly financial report:		Completed	Not Applicable
<b>UST-11</b>	<b>Comparative Income Statement</b> or debtor's income statement (must include all line items specified on UST-11).	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>UST-12</b>	<b>Comparative Balance Sheet</b> or debtor's balance sheet (must include all line items specified on UST-12. The debtor's balance sheet, if used, shall include a breakdown of pre- and post-petition liabilities. The breakdown may be provided as a separate attachment to the debtor's balance sheet.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>UST-13</b>	<b>Comparative Cash Flow Statement</b> or debtor's cash flow statement (must include all line items specified on UST-13). Complete this statement if the debtor is reporting based on the accrual basis of accounting. This is the required method, unless other arrangements have been made with the U.S. Trustee.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>UST-14</b>	<b>Summary of Disbursements</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>UST-14A</b>	<b>Statement of Cash Receipts and Disbursements</b> Complete one or more to include all bank accounts or other sources of debtor funds. Attach copies of monthly bank statements and all supporting documents described in the instructions.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>UST-14B</b>	<b>Additional Disbursement Information</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>UST-15</b>	<b>Statement of Aged Receivables</b> Provide a detailed accounting of aged receivables on, or as an attachment to, UST-15.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>UST-16</b>	<b>Statement of Aged Post-Petition Payables</b> Provide a detailed accounting of aged post-petition payables on, or as an attachment to, UST-16.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
<b>UST-17</b>	<b>Statement of Operations</b> When applicable, UST-17 shall include copies of supporting documents such as an escrow statement for the sale of real property, an auctioneer's report for property sold at auction, or a certificate of insurance or copy of debtor's bond for any change in insurance or bond coverage.	<input checked="" type="checkbox"/>	<input type="checkbox"/>

**DEBTOR'S CERTIFICATION**

I certify under penalty of perjury that (1) I have personally prepared this financial report or directly supervised its preparation, and (2) the information contained in this monthly financial report is complete, true, and accurate to the best of my knowledge, information, and belief.

BY: /s/ Timothy F. SieberDATE: 03/21/2016TITLE: President

The debtor, or trustee, if appointed, must sign the monthly financial report. Only an authorized officer may sign a financial report for a corporate debtor and only a general partner has authority to sign a financial report for a partnership debtor. Debtor's counsel may not sign a financial report for the debtor.

Case Number: 16-30406-rld11

Report Mo/Yr: Feb. 2016

Debtor: SeaPort Airlines, Inc.  
16-30406-rld11**UST-11, COMPARATIVE INCOME STATEMENT****INSTRUCTIONS:** The initial report should include only business activity commencing from the petition date through the end of the month.

For the Month of:	MO/YR 02/2016	MO/YR	MO/YR	Cumulative To Date
Revenue	754,626			754,626
Less: Returns and Allowances				-
<b>NET REVENUE</b>	754,626	-	-	754,626
Cost of Goods sold:				
Beginning Inventory				-
Add: Purchases	See attached Profit & Loss re: detailed COGS information			-
Less: Ending Inventory				
<b>Cost of Goods Sold</b>		-	-	-
Additional Costs of Good Sold:				
Direct Labor				
Freight In				-
<b>TOTAL COST OF GOOD SOLD</b>	298,534	-	-	-
Other Operating Expenses:				
Officers' Salaries (Gross)	See attached Profit & Loss re: detailed Expense information			-
Other Salaries (Gross)				
Depreciation and Amortization				
Employee Benefits				-
Payroll Taxes (Employer's portion)				-
Insurance				
Rent				-
General and Administrative				-
<b>TOTAL OPERATING EXPENSES</b>	330,625	-	-	-
<b>NET OPERATING INCOME (LOSS)</b>	125,467	-	-	
Add: Other Income	-			-
Less: Interest Expense	3,015			3,015
Less: Non-recurring items				
Professional Fees	60,934			60,934
UST Fees				-
Other (specify)				-
<b>TOTAL NON-RECURRING ITEMS</b>	(63,948)	-	-	60,934
<b>GAIN (LOSS) ON DISPOSAL OF ASSETS</b>				-
<b>NET INCOME (LOSS) BEFORE INCOME TAX</b>	61,518	-	-	63,948
Income Taxes				-
<b>NET INCOME (LOSS)</b>	61,518	-	-	63,948

**Seaport Airlines, Inc.**  
**Profit & Loss**  
**February 5 - 29, 2016**

	<u>Feb 5 - 29, 16</u>
<b>Ordinary Income/Expense</b>	
<b>Income</b>	
4000-00 · Passenger Fare	155,467.15
4100-00 · Freight Revenue	79.70
4200-00 · Services & Fees	819.94
4400-00 · Air Service Contracts	587,792.00
4700-00 · Other Operations Income	10,000.00
4810-00 · Interest Income	31.45
4900-00 · Other Income	436.11
<b>Total Income</b>	<b>754,626.35</b>
<b>Cost of Goods Sold</b>	
5100-00 · Aircraft Lease	0.00
5111-00 · Aircraft Fuel	94,151.44
5200-00 · Pilot Salaries, Taxes & Benefit	90,683.49
5300-00 · Repairs & Maint - Aircraft	100,162.82
5309-50 · Repairs & Maint Eng Res PDX	-18,936.00
5309-60 · Repairs & Maint A/C Eng Res MEM	4,881.21
5309-80 · Repairs & Maint A/C Eng Res SAN	5,728.00
5531-00 · Maintenance Service - Parts	938.63
5600-00 · Landing Fees	4,160.05
5740-00 · Animal & Plant Health Insp Fee	870.40
5750-00 · Immigration Fee	226.88
5850-00 · Commission Expense	552.13
5860-00 · ISC Expense	-5.30
5900-00 · Cost of Sales - Other	0.00
Bus Ins · Business Insurance	17,658.92
MX Sal · Maintenance- Sal,Tax, Ben	-2,538.61
<b>Total COGS</b>	<b>298,534.06</b>
<b>Gross Profit</b>	<b>456,092.29</b>
<b>Expense</b>	
6110-00 · Salaries & Wages	166,123.75
6125-00 · Payroll Taxes - Stations only	8,637.27
6140-00 · Employee Health, Life Insurance	-2,155.68
6170-00 · Employee Training	68.00
6180-00 · Uniforms	761.81
6210-00 · Rent - Facilities & Equip	-1,024.90
6220-00 · Maint & Repairs - Buildings	-482.00
6240-00 · Utilities	43.32
6260-00 · Property Tax - Personal & Real	6.61
6320-99 · Tariffs, Manuals, Maps, Etc.	190.03
6340-00 · Reservation Expenses	58,334.17

Seaport Airlines, Inc.  
**Profit & Loss**  
February 5 - 29, 2016

	Feb 5 - 29, 16
6350-00 · Repair & Maint Ground Equip	335.57
6360-00 · Repair & Maint Vehicles	39.99
6370-00 · Vehicle Gas & Oil	655.49
6390-00 · Other Misc Supplies	102.64
6410-00 · Dues & Subscriptions	376.23
6430-00 · Advertising & Promotion	229.42
6440-00 · Sales & Marketing	448.00
6510-00 · Office Supplies	844.50
6520-00 · Telephone	5,206.85
6521-00 · Communications	1,024.83
6540-00 · Postage & Shipping	309.61
6550-00 · Computer Expenses	4,508.54
6561-00 · Accounting & Audit Fees	4,318.15
6562-00 · Consulting & Professional Fees	271.75
6565-00 · Bank Fees	3,022.16
6590-00 · Other Miscellaneous Expense	-1,019.29
6592-00 · Distressed Passenger Expense	2,163.97
6710-00 · Interest Expense	1,970.84
6711-99 · Late Fees - HQ	603.74
HQ · Headquarters Expense	61,350.85
Station · Station Expenses	3,780.34
Travel · Travel & Expenses	9,578.80
Total Expense	330,625.36
Net Ordinary Income	125,466.93
Other Income/Expense	
Other Expense	
9400-00 · Gain/Loss	3,014.90
Total Other Expense	3,014.90
Net Other Income	-3,014.90
Net Income	122,452.03

Case Number: 16-30406-rld11

Report Mo/Yr: Feb. 2016

Debtor: SeaPort Airlines, Inc.

16-30406-rld11

## UST-12, COMPARATIVE BALANCE SHEET

ASSETS	As of month ending:	MO/YR 02/2016	MO/YR	MO/YR	PER SCHEDULES (i.e. Petition Date)
Current Assets					
Cash-Restricted					
Cash-Unrestricted					
TOTAL CASH					478,698
		See attached Balance Sheet re: detailed Current Asset information			
Accounts Receivable					
Less: Allowance for Doubtful Accounts					
NET ACCOUNTS RECEIVABLE		-	-		697,941
Notes Receivable					
Insider Receivables					
Inventory (see note below)					
Prepaid Expenses					
Other (attach list)					
TOTAL CURRENT ASSETS		2,307,224	-	-	1,176,639
Fixed Assets					
Real Property/Buildings					
Equipment					
Accumulated Depreciation					
NET FIXED ASSETS		4,665,916	-	-	5,052,780
Other Assets (attach list)		504,144			92,649
TOTAL ASSETS		7,477,284	-	-	6,322,067
LIABILITIES					
Post-Petition Liabilities					
Trade Accounts Payable		126,451			
Other Current Liabilities		48,384			
Accrued Professional Fees		60,934			
Notes Payable		376,066			
Rents and Lease payables		-			
Accrued Interest		-			
Other (specify)		-			
TOTAL POST-PETITION LIABILITIES		611,834	-	-	
Pre-Petition Liabilities					
Secured Debt		4,276,145			4,276,145
Priority Debt		511,924			511,924
Unsecured Debt		5,973,974			5,973,974
Other (attach list)					
TOTAL PRE-PETITION LIABILITIES		10,762,043	-	-	10,762,043
TOTAL LIABILITIES		11,373,878	-	-	10,762,043

Method of inventory valuation (Cost, Lower of Cost or Market, FIFO, LIFO, Other) : \_\_\_\_\_

Case Number: 16-30406-rld11

Report Mo/Yr: Feb. 2016

Del 16-30 SeaPort Airlines, Inc.

**UST-12, COMPARATIVE BALANCE SHEET**

<b>EQUITY</b>	<b>As of month ending:</b>	<b>MO/YR</b>	<b>MO/YR</b>	<b>MO/YR</b>	<b>PER SCHEDULES (i.e. Petition Date)</b>
Owners' Equity (or Deficit)					
Prepetition Owners' Equity	(6,899,456)				(6,899,456)
Post-petition Cumulative Profit or (Loss)	61,518				
Direct Charges to Equity ( <b>Explain</b> )					
- TOTAL OWNERS' EQUITY (DEFICIT)	(6,960,974)	-	-	-	(6,899,456)
TOTAL LIABILITIES AND OWNERS' EQUITY(DEFICIT)	4,412,903	-	-	-	3,862,587

FOOTNOTES TO BALANCE SHEET:

**Seaport Airlines, Inc.**  
**Balance Sheet**  
As of February 29, 2016

	Feb 29, 16
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
1001-00 · Cash in Bank	71,371.98
1020-00 · Deposits in Transit - CC	41,167.03
1050-00 · Cash on Hand	2,274.38
<b>Total Checking/Savings</b>	114,813.39
<b>Accounts Receivable</b>	
1100-00 · Accounts Receivable	880,646.84
<b>Total Accounts Receivable</b>	880,646.84
<b>Other Current Assets</b>	
1101-00 · Accounts Receivable - Interline	-10,705.18
1102-00 · Interline Suspense - Outward	14,333.60
1103-00 · ADM Suspense	6,783.72
1104-00 · Interline Suspense - Reject Out	-677.54
1113-00 · Employee Receivable	6,898.44
1190-00 · Allowance for Bad Debt	-7,007.22
1410-00 · Notes Receivable - Current	199,063.44
1420-00 · Inventories	864,157.34
1431-00 · Prepaid Insurance	96,554.55
1432-00 · Prepaid Taxes	80,360.06
1433-00 · Prepaid Leases	3,376.20
1434-00 · Prepaid Commissions	-6,044.04
1438-00 · Prepaid Interest	30,000.00
1439-00 · Prepaid - Other	34,670.00
<b>Total Other Current Assets</b>	1,311,763.37
<b>Total Current Assets</b>	2,307,223.60
<b>Fixed Assets</b>	
1600-01 · Land	850,000.00
1610-00 · Aircraft & Components	110,916.06
1620-00 · Equipment	419,548.15
1625-00 · Misc. Ground Equipment	30,114.21
1630-00 · Furniture & Fixtures	5,599.49
1640-00 · Computer Software	570,670.91
1650-00 · Buildings & Improvements	3,410,093.63
1655-00 · Computers	85,049.86
1665-00 · Vehicles	169,641.29
1680-00 · Leasehold Improvements	154,588.01
1710-00 · Accuml Depr Aircraft & Componen	-15,279.07
1720-00 · Accuml Depreciation - Equip	-205,172.90
1725-00 · Accuml Depr Misc Ground Equip	-11,537.92
1730-00 · Accuml Depr - Furniture & Fix	-4,581.42
1740-00 · Accuml Depr - Software	-127,092.96
1750-00 · Accuml Depreciation - Building	-431,461.31

**Seaport Airlines, Inc.**  
**Balance Sheet**  
As of February 29, 2016

	Feb 29, 16
1755-00 · Accuml Depr - Computers	-56,904.04
1765-00 · Accuml Depreciation - Vehicles	-133,687.55
1780-00 · Accumulated Amortization - LHI	-154,588.01
<b>Total Fixed Assets</b>	<b>4,665,916.43</b>
<b>Other Assets</b>	
1850-00 · Security Deposits	504,144.28
<b>Total Other Assets</b>	<b>504,144.28</b>
<b>TOTAL ASSETS</b>	<b>7,477,284.31</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
2000-00 · Accounts Payable	425,910.11
<b>Total Accounts Payable</b>	<b>425,910.11</b>
<b>Other Current Liabilities</b>	
2001-00 · Accounts Payable - Interline	-48,641.03
2010-00 · Other Misc Payables	-564.34
2040-00 · Accrued Liabilities	225,518.86
2105-00 · PrePaid Charter Income	6,706.67
2110-00 · Unearned Revenue	925,237.39
2111-00 · Unearned Revenue - Vouchers	111,923.18
2120-00 · Customer Deposits	93,360.04
2200-00 · Notes Payable - Current	5,149,002.35
2250-00 · Accrued Interest - Current	200,668.73
2260-00 · Suspense Accounts	-30,257.84
2400-00 · Taxes Payable	48,916.06
2440-00 · Passenger Facility Charges Pay	2,012.50
2500-00 · Payroll Liabilities	167,748.06
2700-00 · Other Misc Current Liabilities	-936.55
<b>Total Other Current Liabilities</b>	<b>6,850,694.08</b>
<b>Total Current Liabilities</b>	<b>7,276,604.19</b>
<b>Long Term Liabilities</b>	
2800-00 · Notes Payable - Long Term	3,625,149.16
2997-00 · PrePetition Customer Refunds	13,076.19
2998-00 · PrePetition Taxes & Fees Liab	177,386.68
2999-00 · PrePetition Accounts Payable	3,346,042.03
<b>Total Long Term Liabilities</b>	<b>7,161,654.06</b>
<b>Total Liabilities</b>	<b>14,438,258.25</b>
<b>Equity</b>	
3820-00 · Treasury Stock	-200,000.00
3840-00 · Issued Stock - Common	6,200.00
3841-00 · Issued Stock - Preferred	1,627.80
3850-00 · Paid In Capital	2,300,595.12
3998-00 · Retained Earnings	-5,227,827.82
Net Income	-3,841,569.04
<b>Total Equity</b>	<b>-6,960,973.94</b>



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Accrual Basis

**Seaport Airlines, Inc.**

**Balance Sheet**

As of February 29, 2016

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TOTAL LIABILITIES & EQUITY

Feb 29, 16

7,477,284.31

Case Number: 16-30406-rld11

Report Mo/Yr: Feb. 2016

Del 16-30 SeaPort Airlines, Inc.

**UST-13, COMPARATIVE CASH FLOW STATEMENT**

As of month ending:	MO/YR	MO/YR	MO/YR	Cumulative Filing to Date
NET INCOME (LOSS)	61,518			
ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH:				
Depreciation and Amortization				
(Gain) Loss on Sale of Assets				
(Increase) Decrease in Prepaids				
(Increase) Decrease in Receivables				
(Increase) Decrease in Inventory				
Increase (Decrease) in Payables				
Increase (Decrease) in Taxes Payable				
Increase (Decrease) in Professional Fees	60,934			
Increase (Decrease) in Rents/Leases Pay				
Increase (Decrease) in Accrued Interest				
NET CASH PROVIDED BY OPERATIONS	122,452			
CASH FLOWS FROM INVESTING/FINANCING:				
Purchase of Fixed Assets				
Proceeds from Sale of Fixed Assets				
Capital Contributions				
Loan Proceeds				
Loan Principal and Capital Lease Payments				
NET INCREASE (DECREASE) IN CASH	122,452			
BEGINNING CASH	-	-	-	
ENDING CASH				

Case Number: 16-30406-rld11  
 Report Mo/Yr: Feb. 2016

16-30406-rld11

Debtor: SeaPort Airlines, Inc.

SeaPort Airlines, Inc.

Feb. 2016

**UST-14, SUMMARY OF DISBURSEMENTS**

**INSTRUCTIONS:** BEFORE COMPLETING THIS PAGE, prepare UST-14A (see next page) to include all bank accounts or other sources of the debtor's funds. The disbursement total will be used to complete this SUMMARY OF DISBURSEMENTS.

The debtor is responsible for providing accurate monthly disbursement totals for purposes of calculating its obligation pursuant to 28 U.S.C. § 1930(a)(6) to pay statutory fees to the U.S. Trustee. The disbursement total encompasses all payments made by the debtor during the reporting month, whether made directly by the debtor or by another party for the debtor. It includes checks written and cash payments for inventory and equipment purchases, payroll and related taxes and expenses, other operating costs, and debt reduction. It also includes payments made pursuant to joint check arrangements and those resulting from a sale or liquidation of the debtor's assets. The only transactions normally excluded from the disbursement total are transfers within the same reporting month between multiple debtor accounts.

The U.S. Trustee payment is due on the last day of the month following the end of each calendar quarter, or on **April 30, July 31, October 31, and January 31**, respectively. Because the amount billed is an estimate, the debtor is responsible for paying the correct statutory fee based on actual disbursements for the calendar quarter, or portion thereof while the debtor is in Chapter 11 (i.e. until the case is converted, dismissed, or closed by final decree). Failure to pay statutory fees to the U.S. Trustee is cause for conversion or dismissal of the case. A copy of the statutory fee schedule may be found in the Chapter 11 Guidelines on the U.S. Trustee's website located at:

<http://www.justice.gov/ust/r18/portland/chapter11.htm>

<http://www.justice.gov/ust/r18/eugene/chapter11.htm>

If you have any questions about how to compute the disbursement total, please call the U.S. Trustee's office:

Portland, OR (503) 326-4000

Eugene, OR (541) 465-6330

(UST-14A, with attachments, should follow this page.)

**COMPUTATION OF MONTHLY DISBURSEMENT TOTAL**

Total disbursements from UST-14A	\$ 384,527.46
Cash payments not included in total above (if any)	
Disbursements made by third parties for the debtor (if any, explain)	

TOTAL DISBURSEMENTS THIS MONTH FROM ALL SOURCES	\$ 384,527.46
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		Yes	No
At the end of this reporting month, did the debtor have any <u>delinquent</u> statutory fees owing to the U.S. Trustee?		<input type="checkbox"/>	<input checked="" type="checkbox"/>
(If yes, list each quarter that is delinquent and the amount due along with an explanation)			
Quarter	Explanation	Amount	

Case Number:  
Report Mo/Yr:16-30406-rld11  
Feb. 2016**Debtor:**

SeaPort Airlines, Inc.

**UST-14A - STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**INSTRUCTIONS:** Include all bank accounts or other source of the debtor's funds and attach supporting documents as indicated on the checklist below. Use additional sheets as necessary.

Depository (Bank) Name Account Number Type of Account	BOTW 6230 PCA	BOTW 9146 CBC	BOTW 2749 CBC	BOTW 2764 CBC	TOTALS
<b>Beginning Cash Balance</b>	23,365.12	-	-	-	23,365.12
<b>Add:</b>					
Transfers in					-
Receipts deposited					-
Other (identify source)					
Total Cash Receipts	-	-	-	-	-
<b>Subtract:</b>					
Transfers out					
Disbursements by check or debit					-
Cash withdrawn					-
Other (identify source)					-
Total Cash Disbursements	-	-	-	-	-
<b>Ending Cash Balance</b>	23,365.12	-	-	-	

Does each account identified above include the following supporting documents, as required: Indicate **YES, NO or NOT APPLICABLE** in the boxes below.

Monthly bank statement copy

YES

YES

YES

YES

(do not include bank statement copies  
with the report filed with the Bankruptcy  
Court)

Bank reconciliation (including  
outstanding checks and deposits in  
transit)

N/A

N/A

N/A

N/A

A detailed list of receipts for the account  
(deposit log or receipts journal)

N/A

N/A

N/A

N/A

A detailed list of disbursements for the  
account (check register or disbursement  
journal)

N/A

N/A

N/A

N/A

Funds received and/or  
disbursed by another party

N/A

N/A

N/A

N/A

Case Number:  
Report Mo/Yr:16-30406-rld11  
Feb. 2016**Debtor:**

SeaPort Airlines, Inc.

**UST-14A - STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**INSTRUCTIONS:** Include all bank accounts or other source of the debtor's funds and attach supporting documents as indicated on the checklist below. Use additional sheets as necessary.

Depository (Bank) Name Account Number Type of Account	BOTW 4243 WoAK-OA	BOTW 3256 OA	BOTW 3264 PAYROLL	BOTW 2756 TAX	TOTALS
<b>Beginning Cash Balance</b>	14,632.95	-	-	-	14,632.95
<b>Add:</b>					
Transfers in		4,312.95			4,312.95
Receipts deposited		19,260.18	188,500.00	28,351.52	236,111.70
Other (identify source)					
Total Cash Receipts	-	23,573.13	188,500.00	28,351.52	240,424.65
<b>Subtract:</b>					
Transfers out	(13,000.00)				
Disbursements by check or debit	(633.53)	(2,486.00)	(186,392.70)		(189,512.23)
Cash withdrawn					-
Fee			(30.00)		(30.00)
Total Cash Disbursements	(13,633.53)	(2,486.00)	(186,422.70)	-	
<b>Ending Cash Balance</b>	999.42	21,087.13	2,077.30	28,351.52	

Does each account identified above include the following supporting documents, as required: Indicate **YES, NO or NOT APPLICABLE** in the boxes below.

Monthly bank statement copy

YES

YES

YES

YES

(do not include bank statement copies  
with the report filed with the Bankruptcy  
Court)

Bank reconciliation (including  
outstanding checks and deposits in  
transit)

N/A

N/A

N/A

N/A

A detailed list of receipts for the account  
(deposit log or receipts journal)

N/A

N/A

N/A

N/A

A detailed list of disbursements for the  
account (check register or disbursement  
journal)

N/A

N/A

N/A

N/A

Funds received and/or  
disbursed by another party

N/A

N/A

N/A

N/A

Case Number:  
Report Mo/Yr:16-30406-rld11  
Feb. 2016**Debtor:**

SeaPort Airlines, Inc.

**UST-14A - STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**INSTRUCTIONS:** Include all bank accounts or other source of the debtor's funds and attach supporting documents as indicated on the checklist below. Use additional sheets as necessary.

Depository (Bank) Name Account Number Type of Account	BOTW 0284 GCP	BOTW 6248 OP ACCT	FRB 1282 PAY	FRB 0854 WoAK	TOTALS
<b>Beginning Cash Balance</b>		9,126.30	600.20	110,661.58	120,388.08
<b>Add:</b>					
Transfers in					-
Receipts deposited	575.00	227,582.41	218,322.40	10,727.64	457,207.45
Other (identify source)					
Total Cash Receipts	575.00	227,582.41	218,322.40	10,727.64	457,207.45
<b>Subtract:</b>					
Transfers out					
Disbursements by check or debit		(221,644.69)	(216,672.31)	(121,277.72)	(559,594.72)
Cash withdrawn					-
Other (identify source)					-
Total Cash Disbursements	-	(221,644.69)	(216,672.31)	(121,277.72)	
<b>Ending Cash Balance</b>	575.00	15,064.02	2,250.29	111.50	

Does each account identified above include the following supporting documents, as required: Indicate **YES, NO or NOT APPLICABLE** in the boxes below.

Monthly bank statement copy

YES

YES

YES

YES

(do not include bank statement copies  
with the report filed with the Bankruptcy  
Court)

Bank reconciliation (including  
outstanding checks and deposits in  
transit)

N/A

N/A

N/A

N/A

A detailed list of receipts for the account  
(deposit log or receipts journal)

N/A

N/A

N/A

N/A

A detailed list of disbursements for the  
account (check register or disbursement  
journal)

N/A

N/A

N/A

N/A

Funds received and/or  
disbursed by another party

N/A

N/A

N/A

N/A

Case Number:

16-30406-rld11

Report Mo/Yr:

Feb. 2016

**Debtor:**

SeaPort Airlines, Inc.

**UST-14A - STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS**

**INSTRUCTIONS:** Include all bank accounts or other source of the debtor's funds and attach supporting documents as indicated on the checklist below. Use additional sheets as necessary.

Depository (Bank) Name Account Number Type of Account	WF 4435 AmEx	WF 4823 OA	US Bank 7725 ACH	FNA-AK 8825	TOTALS
<b>Beginning Cash Balance</b>	1,347.02	3,125.25	2,170.87	(5.39)	6,637.75
<b>Add:</b>					
Transfers in					-
Receipts deposited	11,425.45	615.56	16,155.00		28,196.01
Other (identify source)					
Total Cash Receipts	11,425.45	615.56	16,155.00	-	28,196.01
<b>Subtract:</b>					
Transfers out		(3,404.72)			
Disbursements by check or debit	(12,772.47)	(336.09)	(17,355.11)		(30,463.67)
Cash withdrawn					-
Bank Fees				(8.00)	(8.00)
Total Cash Disbursements	(12,772.47)	(3,740.81)	(17,355.11)	(8.00)	
<b>Ending Cash Balance</b>	-	-	970.76	(13.39)	

Does each account identified above include the following supporting documents, as required: Indicate **YES, NO or NOT APPLICABLE** in the boxes below.

Monthly bank statement copy

YES

YES

YES

YES

(do not include bank statement copies  
with the report filed with the Bankruptcy  
Court)

Bank reconciliation (including  
outstanding checks and deposits in  
transit)

N/A

N/A

N/A

N/A

A detailed list of receipts for the account  
(deposit log or receipts journal)

N/A

N/A

N/A

N/A

A detailed list of disbursements for the  
account (check register or disbursement  
journal)

N/A

N/A

N/A

N/A

Funds received and/or  
disbursed by another party

N/A

N/A

N/A

N/A

Case Number: 16-30406-rld11  
 Report Mo/Yr: Feb. 2016

Debtor: 16-30406-rld11

### UST-14B, ADDITIONAL DISBURSEMENT INFORMATION

#### Payments on Pre-Petition Unsecured Debt (requires court approval)

Did the debtor, or another party on behalf of the debtor, make any payments during this reporting month on pre-petition unsecured debt? **If "yes", complete table for each payment.**

Payee's Name	Nature of Payment	Payment Date	Amount	Date of Court Approval	Yes	No
Various	Pre-Petition Payroll	Various	\$68,780 (est)	02/05/16		
Various	Pre-Petition Tickets	Various	On-Going	02/05/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Gravity Payments	On-Going Credit Card	Various	On-Going	02/05/16		
American Express	On-Going Credit Card	Various	On-Going	02/05/16		
Various	Interline Agreements	Various	On-Going	2/05/16, 2/17/16		

#### Payments to Attorneys and Other Professionals (requires court approval)

Did the debtor, or another party on behalf of the debtor, make any payments during this reporting month to a professional such as an attorney, accountant, realtor, appraiser, auctioneer, business consultant, or other professional person? **If "yes", complete table for each payment.**

Professional's Name	Type of Work Performed	Payment Date	Amount	Date of Court Approval	Yes	No
					<input type="checkbox"/>	<input checked="" type="checkbox"/>

#### Payments to an Officer, Director, Partner, or Other Insider of the Debtor

Did the debtor, or another party on behalf of the debtor, make any payments during this reporting month to, or for the benefit of, an officer, director, partner, member, shareholder or other insider of the debtor? **If "yes", complete table for each payment.**

Payee's Name	Relationship to Debtor	Payment Date	Amount	Purpose of Payment	Yes	No
Various	Officers / Directors	2/15/16	27,139	Payroll		
Various	Officers / Directors	2/29/16	8,503	Payroll	<input checked="" type="checkbox"/>	<input type="checkbox"/>

INSTRUCTIONS: Use the last column to describe the purpose of each payment, such as gross wages or salary, reimbursement for business expenses, loan repayment, advance, draw, bonus, dividend, stock distribution, or other reason for the payment.

#### CERTIFICATION OF BANK ACCOUNTS:

The undersigned certifies under penalty of perjury that every financial account used by the debtor is accounted for in UST-14A of this report and is held in a depository included on the U.S. Trustee's list of authorized depositories. The undersigned further certifies that each such depository has been notified that the account holder is a debtor in a Chapter 11 case under the jurisdiction of the Bankruptcy Court.

BY: /s/ Timothy F. Sieber

DATE: 03/21/2016

TITLE: President



Case Number: 16-30406-rld11  
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Debtor: 16-30406-rld11

### UST-15, STATEMENT OF AGED RECEIVABLES

**INSTRUCTIONS:** Complete all portions of UST-15, STATEMENT OF AGED RECEIVABLES, unless the debtor asserts the following two statements are true for this reporting month:

- ° At the beginning of the reporting month, the debtor did not have any uncollected pre-petition or post-petition accounts receivable; and,
- ° During the reporting month, the debtor did not have any receivables activity, including the accrual of new accounts receivable, or the collection or write-off of accounts receivable from prior months.

Initial here TFS if the debtor asserts that both statements above are correct and then skip to UST-16, Statement of Post-Petition Payables.

#### Accounts Receivable Aging

	Balance at Month End	Current Portion	Past Due 31-60 days	Past Due 61-90 days	Past Due over 90 days	Uncollectible Receivables
Pre-petition	866,836.88	866,836.88	-	-	-	-
Post-petition	13,809.96	-	9,985.00	668.00	3,156.96	-
TOTALS	880,646.84	866,836.88	9,985.00	668.00	3,156.96	-

Explain what efforts the debtor has made during the reporting period to collect receivables over 60 days past due.

#### Accounts Receivable Reconciliation

	Post Petition	Pre-Petition	Totals
Opening Balance	-	13,809.96	13,809.96
Add: Sales on account	866,836.88		866,836.88
Less: Payments on account	-	-	-
Less: Write-offs or other adjustments	-	-	-
Closing Balance	866,836.88	13,809.96	880,646.84

#### Insider Receivable Reconciliation

Insider Name (e.g. officer, director, partner, member, shareholder) Relationship to Debtor	Post Petition	Pre-Petition	Totals
Opening Balance (if first report, use the balance on date of filing)			
Add: Current month advances			
Less: Current month payments			
Closing Balance	-	-	-

Case Number: 16-30406-rld11  
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Debtor: 16-30406-rld11

SeaPort Airlines, Inc.

Feb. 2016

**UST-16, STATEMENT OF AGED POST-PETITION PAYABLES  
 PART A - TRADE ACCOUNTS PAYABLE**

**INSTRUCTIONS:** Complete PART A - TRADE ACCOUNTS PAYABLE unless the debtor asserts that this statement is true for this reporting month:

° Except for taxes disclosed in PART B of this report, the debtor has no other unpaid post-petition payables from the current reporting month or from any prior post-petition months.

Initial here TFS if the debtor asserts that the statement above is correct and then skip to UST-16, Part B, Taxes.

**Accounts Payable Aging**

	Balance at Month End	Current Portion	Past Due 31-60 days	Past Due 61-90 days	Past Due over 90 days
Post-petition	126,531.72	126,531.72			

1. For Accounts Payable **more than 30 days past due**, explain why payment has not been made.

2. Attach the debtor's accounts payable aging report.

**Post-Petition Trade Accounts Payable Reconciliation**

Opening Balance	-
Additions:	162,508.58
Less: Payments made	35,976.86
Closing Balance	126,531.72

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Debtor: 16-30406-rld11

**UST-16, BUSINESS STATEMENT OF AGED POST-PETITION PAYABLES  
 PART B - TAXES**

**CERTIFICATION:** The undersigned certifies under penalty of perjury that all post-petition taxes required to be withheld or collected have been paid to the appropriate taxing authority or that a deposit for such amounts has been made into a separate bank tax account as more fully described below.

BY: /s/ Timothy F. Sieber DATE: 03/21/2016

**Reconciliation of Unpaid Post-Petition Taxes**

	1	2	3	4
Type of Tax	Unpaid Post-petition Taxes from Prior Reporting Month	Post-petition Taxes Accrued this Month (New Obligations)	Post-petition Tax Payments Made this Reporting Month	Unpaid Post-petition Taxes at End of Reporting Month (Column 1+2-3=4)
<b>FEDERAL EMPLOYMENT TAXES</b>				
Employee Income Tax Withheld		27,854.17	27,854.17	-
FICA/Medicare-Employee		22,933.95	22,933.95	-
FICA/Medicare-Employer		22,933.98	22,933.98	-
Unemployment (FUTA)		988.51	988.51	-
<b>STATE EMPLOYMENT TAXES</b>				
Employee Income Tax Withheld		10,341.01	10,341.01	-
Unemployment (SUTA)		8,180.84	8,180.84	-
Worker's Comp / State Disab		338.90	338.90	-
<b>OTHER TAXES</b>				
Corporate Income Tax				-
Local City/County Tax				-
Sales Tax				-
Personal Property Tax				-
Real Property Tax				-
Other				-
<b>Total Unpaid Post-Petition Taxes</b>				<b>\$ -</b>

Is the debtor delinquent in any tax reporting? *If yes*, provide the name of the taxing authority, a description of the report that is past due, the original report due date, any payment due, and the reason for the delinquency.

Case Number: 16-30406-rld11  
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Debtor: 16-30406-rld11

### UST-17 STATEMENT OF OPERATIONS

INSTRUCTIONS: Answer each question fully and attach additional sheets as necessary to provide a complete response

#### Question 1 - Sale of the Debtor's Assets

Did the debtor, or another party on behalf of the debtor, sell, transfer, or otherwise dispose of any of the debtor's assets during the reporting month that are out of the ordinary course of the debtor's business? **If yes, attach a schedule identifying each asset, date of sale notice, method of disposition, and gross and net sale proceeds received. If real property was sold, attach a copy of the closing statement.**

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>

#### Question 2 - Financing

During the reporting month, did the debtor receive any financing, or loans from a non-insider funding source? **If yes, indicate the source of the funds, date paid to debtor, dollar amount, and date of court approval.**

Source of Funds	Date Paid	Amount	Date of Court Approval	Yes	No
				<input checked="" type="checkbox"/>	<input type="checkbox"/>

See Q3 Below

#### Question 3 - Insider loans

During the reporting month, did the debtor receive any funds from an officer, director, partner, member, shareholder, or other insider of the debtor? **If yes, indicate the source of funds, date paid to debtor, dollar amount, and date of court approval.**

Source of Funds	Date Paid	Amount	Date of Court Approval	Yes	No
Fountain Village Development, LLC ("FVD")	Various (See Annex A)	Various	02/11/16	<input checked="" type="checkbox"/>	<input type="checkbox"/>
FVD listed in Q3 (rather than Q2) on precautionary basis only and without waiving rights to treat FVD as non-insider				<input checked="" type="checkbox"/>	<input type="checkbox"/>

#### Question 4 - Insurance and Bond Coverage

Did the debtor renew or replace any insurance policies during this reporting month? **If yes, attach a certificate of insurance for each renewal or change in coverage.**

Were any of the debtor's insurance policies canceled or otherwise terminated for any reason during the reporting month? **If yes, explain.**

Were any claims made during this reporting month against the debtor's bond? (Answer "No" if the debtor is not required to have a bond). **If yes, explain.**

Yes	No
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>
<input type="checkbox"/>	<input checked="" type="checkbox"/>

#### Question 5 - Significant Events.

Provide a narrative report of any significant events that may have an effect on the financial condition of the debtor or any events out of the ordinary course of business that are not described elsewhere in this report. Attach separate sheets as necessary.

*US Bankruptcy Court approved Debtor's request regarding honoring certain pre-petition obligations, including payroll, customer deposits and tickets, vendor and industry agreements. Debtor has also began cutting expenses and reviewing operations*

Case Number: 16-30406-rld11

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Debtor:

SeaPort Airlines, Inc.

SeaPort Airlines, Inc.

**UST-17, STATEMENT OF OPERATIONS (Continued)**

**Question 6 - Case Progress.** Explain what progress the debtor has made during the reporting month toward confirmation of a plan of reorganization.

*US Bankruptcy Court approved Debtor's request regarding honoring certain pre-petition obligations, including payroll, customer deposits and tickets, vendor and industry agreements.*

	<b>Filed ?</b>	<b>Estimated Date To be Filed If not Filed</b>
Disclosure Statement:	NO	6/1/2016
Plan of Reorganization:	NO	6/1/2016

**WHERE TO FILE A MONTHLY OPERATING REPORT:** Local Bankruptcy Rule 2015-2 requires the debtor to file its monthly financial report with the U.S. Bankruptcy Court.

File the original....(select only one)

**For a Chapter 11 case filed in Portland, OR:**

United States Bankruptcy Court  
1001 SW 5th Avenue, 7th floor  
Portland, OR 97204

**For a Chapter 11 case filed in Eugene, OR:**

United States Bankruptcy Court  
405 East 8th Avenue, Suite 2600  
Eugene, OR 97401

**CERTIFICATION:** The undersigned certifies that copies of this report and supporting documents have been served upon each of the following persons in this case: U.S. Trustee; the chairperson of each official committee of creditors or equity security holders and the attorney(s) for each such committee; the debtor and the debtor's attorney; and the trustee and the trustee's attorney, if applicable.

BY: /s/ Christopher N. Coyle

DATE: 03/21/2016

TITLE: Of Attorneys for Debtor

PHONE NUMBER: 503-241-4869

Send U.S. Trustee's copy to: (select only one)

**For a Chapter 11 case filed in Portland, OR:**

Office of the United States Trustee  
620 SW Main Street, Suite 213  
Portland, OR 97205

**For a Chapter 11 case filed in Eugene, OR:**

Office of the United States Trustee  
405 East 8th Avenue, Suite 1100  
Eugene, OR 97401

Case Number: 16-30406-rld11

Report Mo/Yr: Feb. 2016

16-30406-rld11

Debtor:

SeaPort Airlines, Inc.

SeaPort Airlines, Inc.

**ANNEX A: Schedule of Advances and Payments - Fountain Village Development, LLC ("FVD")**

Date	Principal Advance	Interest	Payment	Cumulative Balance
2/16/2016	\$ 17,500.00	\$ -	\$ -	\$ 17,500.00
2/16/2016	\$ 1,173.33	\$ -	\$ -	\$ 18,673.33
2/18/2016	\$ 182,000.00	\$ -	\$ -	\$ 200,673.33
2/19/2016	\$ 6,500.00	\$ -	\$ -	\$ 207,173.33
2/19/2016	\$ 6,371.00	\$ -	\$ -	\$ 213,544.33
2/22/2016	\$ 6,300.00	\$ -	\$ -	\$ 219,844.33
2/25/2016	\$ 6,351.52	\$ -	\$ -	\$ 226,195.85
2/29/2016	\$ 12,000.00	\$ -	\$ -	\$ 238,195.85
2/29/2016	\$ 137,294.84	\$ -	\$ -	\$ 375,490.69
2/29/2016	\$ 575.00	\$ -	\$ -	\$ 376,065.69
<b>Total:</b>	<b>\$ 376,065.69</b>	<b>\$ -</b>	<b>\$ -</b>	